

STATE OF WASHINGTON

OFFICE OF
INSURANCE COMMISSIONER

In the Matter of)	
)	ORDER NO. D05-430
VERIZON WIRELESS SERVICES)	
LLC,)	CONSENT AND ORDER
)	IMPOSING A FINE
A Service Contract Provider)	

COME NOW the Insurance Commissioner of the State of Washington ("OIC"), pursuant to the authority set forth in RCW 48.02.080 and RCW 48.110.130(3) and Verizon Wireless LLC, and having reviewed the official records and files of the Office of the Insurance Commissioner, and agree to the following findings of fact and conclusions of law:

FINDINGS OF FACT

1. Verizon Wireless Services LLC ("Verizon Wireless" or "The Company") became a registered Service Contract Provider in Washington in June 2001. Verizon Wireless sold its service contracts under the d/b/a "Verizon Wireless."
2. Verizon Wireless did not obtain approval from the OIC to issue its service contracts under this d/b/a.
3. The OIC specifically communicated the requirements of RCW 48.110.080(2) to Verizon Wireless on June 15, 2001 and January 15, 2003. That statute requires that service contract providers issue service contracts under their legal names unless they have obtained express approval from the OIC to use a d/b/a.
4. During calendar year 2004, the only year for which figures are available, Verizon Wireless issued 148,500 service contracts using the unauthorized d/b/a.
5. During the calendar year 2005, Verizon Wireless worked closely with the OIC in order to correct these violations. Verizon Wireless issued a bill message to its customers in the State of Washington, and revised its Extended Warranty brochure in order to reflect Verizon Wireless Services LLC as the responsible party.

CONCLUSION OF LAW

1. Verizon Wireless' sale of service contracts using a d/b/a not approved by the OIC violated RCW 48.110.080(2).

CONSENT TO ORDER

Verizon Wireless Services LLC consents to entry of this Order, waives further administrative or judicial proceedings in this matter, and acknowledges its duty to comply fully with the applicable laws of the State of Washington. The Commissioner has offered a settlement in lieu of suspending or revoking Verizon Wireless Services LLC's certificate of authority.

By agreement of the parties, the OIC will impose a fine of \$25,000.00 on Verizon Wireless Services LLC on condition that:

1. Within thirty days of the entry of this Order, Verizon Wireless agrees to pay to the OIC a fine in the amount of \$25,000.00 as final resolution of this matter;
2. Failure to pay the fine as set forth in paragraph one shall constitute grounds for the revocation of Verizon Wireless Services, LLC's status as a registered Service Contract Provider; and
3. Verizon Wireless understands and agrees that any future failure to comply with the statutes which are the subject of this Order may constitute grounds for further penalties which may be imposed in direct response to that further violation.

EXECUTED this 16 day of August, 2006.

VERIZON WIRELESS SERVICES LLC

By: Michael P. Sumner

Title: Manager

ORDER OF THE INSURANCE COMMISSIONER

NOW, THEREFORE, pursuant to the foregoing Findings of Fact, Conclusions of Law, and Consent to Order, the Insurance Commissioner hereby orders as follows:

1. Verizon Wireless Services LLC is ordered to pay a fine in the amount of \$25,000.00 as final resolution of the issue set forth hereinabove.

2. \$25,000.00 must be paid in full within thirty days of the date of entry of this order. Should Verizon Wireless Services LLC timely pay the \$25,000.00, it shall be released from all liability on all matters relating to Verizon Wireless' sale of service contracts using a d/b/a not approved by the OIC, i.e., its violation of RCW 48.110.080(2).

3. Should Verizon Wireless Services LLC timely pay the \$25,000.00, it shall be released from all liability relating to Verizon Wireless' sale of service contracts using a d/b/a not approved by the OIC, i.e., its violation of RCW 48.110.080(2), during calendar years 2001 – 2005, inclusive.

4. Failure to pay this fine and to adhere to the conditions constitutes grounds for revocation of Verizon Wireless Services LLC's status as a registered Service Contract Provider, and for the recovery of the fine through a civil action brought on behalf of the commissioner by the Attorney General.

ENTERED AT TUMWATER, WASHINGTON this 21st day of August, 2006.

Mike Kreidler
Washington State Insurance Commissioner

By: Andrea L. Philhower
Andrea L. Philhower
Staff Attorney, Legal Affairs Division